

Legislative Fiscal Bureau

Fiscal Note

SF 318 - IPERS Waiting Period (LSB 1956 SV)

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Fiscal Note Version — New

Description

Senate File 318 provides that a person, who retires and begins receiving a retirement allowance under the Iowa Public Employees' Retirement System (IPERS) after June 2003, may return to IPERS' covered employment after one month of retirement benefits, instead of the current four months of retirement, and continue to receive retirement benefits after re-employment with an IPERS covered employer.

Assumptions

1. The Iowa Public Employees' Retirement System (IPERS) has not yet been able to determine the fiscal impact on the IPERS' Fund, in terms of possible additional benefits being paid from the Fund, due to a shorter waiting period.
2. Changes will need to be made in the IPERS' computer system to properly record the status of the re-employed members.
3. A member who has an agreement to be re-hired before the member begins taking retirement benefits does not qualify for retirement benefits.
4. The IPERS' staff will need to verify the member's retirement and investigate when complaints are received about members having an agreement to be re-hired before the member takes retirement.

Fiscal Impact

The estimated fiscal impact of SF 318 on the Iowa Public Employees' Retirement System (IPERS) Fund is approximately \$370,000 in FY 2004, and \$135,000 annually thereafter, for additional administrative expenses.

The fiscal impact of additional benefits being paid from the Fund, due to a shorter waiting period, cannot be determined at this time due to insufficient information.

Source

Iowa Public Employees' Retirement System (IPERS)

/s/ Dennis C Prouty

March 19, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
